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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

James P. Cecil, Inc.

v.

Enterprise Automation, Inc.

Cancellation No. 30,783

Bradford A. Steiner of Steiner Norris PLLC for James P.
Cecil, Inc.

P. Anthony Grogan, CPA, President of Enterprise Automation,
Inc. for Enterprise Automation, Inc.

Before Cissel, Seeherman and Hohein, Administrative
Trademark Judges.

Opinion by Cissel, Administrative Trademark Judge:

On May 9, 1995, Registration No. 1,893,023 issued on
the Principal Register to Perceptive Solutions, Inc., a
Florida corporation, for the mark shown below

NURTURE

for "computer software for automating marketing and relationship management campaigns," in Class 9. The application which matured into this registration was filed on April 1, 1994, claiming first use and first use in commerce on May 5, 1992.

On May 4, 2000, a petition to cancel this registration was filed by James P. Cecil, Inc., a corporation organized and existing under the laws of the state of Washington. As grounds for cancellation, petitioner asserted that it has been using the registered mark nationally in relation to its goods and services in the field of marketing and client relationship management processes, campaigns and techniques since at least 1989; that petitioner held a seminar on May 1 and May 2, 1992, to teach its "Nurture" marketing techniques and to promote its "Nurture" products, which were being sold to customers to support the use and development of the techniques taught in a seminar; that Arnold Blum was invited by James P. Cecil, petitioner's founder, to attend the seminar in order to understand petitioner's services and products so that Mr. Blum could assist petitioner in developing and offering computer software as part of petitioner's "Nurture" product line; that after attending the seminar, Mr. Blum did provide petitioner with some customized software bearing petitioner's "Nurture" mark for petitioner to sell to its clients; that after a few months

of testing the software, petitioner decided that it no longer wanted to offer the software under its "Nurture" brand, so petitioner terminated its relationship with Mr. Blum, returning the software to him; that when Perceptive Solutions, Inc., respondent's predecessor in interest and the owner of the application which matured into the registration here sought to be canceled, filed the application to register the mark, it claimed a date of first use of the mark and first use of the mark in commerce of May 5, 1992; that Arnold Blum was an officer of Perceptive Solutions, Inc.; that Perceptive Solutions, Inc. subsequently assigned the registration and its interest in the mark to Enterprise Automation, Inc., respondent herein; that Arnold Blum is an officer of Enterprise Automation, Inc.; that the registration was obtained fraudulently; that registrant was not the owner of the mark at the time the application for registration was filed; and that the registered mark is likely to cause confusion among consumers as to the source of the goods and/or services with which it is used.

Mr. Grogan, respondent's president, answered the petition to cancel on behalf of his company. He admitted that Mr. Blum attended the seminar presented by Mr. Cecil in Washington in 1992, but the answer to the petition claims that Mr. Blum provided a free version of Mr. Blum's

company's "NURTURE" software to Mr. Cecil, who was acting as a distributor for respondent's predecessor. Respondent denied that any of the software was returned and that Mr. Cecil was testing respondent's predecessor's "NURTURE" software. Respondent admitted that its chief operating officer, Mr. Blum, was the director of respondent's predecessor in interest, Perceptive Solutions, Inc., and that Perceptive Solutions, Inc. assigned the mark to respondent, of which corporation he is an officer and director. Respondent went on to deny that the registration was obtained fraudulently, alleging that petitioner's claim is responsive to respondent's attempt to stop petitioner from using the mark. Respondent denied petitioner's claim that respondent did not own the mark at the time of filing the application for registration, and also denied that the registered mark is likely to cause confusion as to source. Additionally, respondent asserted the affirmative defense of unclean hands.

A trial was conducted in accordance with the Trademark Rules of Practice. Petitioner took the testimonial deposition of James P. Cecil and made it and the exhibits to it of record. Petitioner also filed a brief, but respondent took no testimony, introduced no evidence, and filed no brief.

The issues before the Board in this proceeding are petitioner's claim that the registration was procured by means of fraud; that registrant did not own the mark when the application to register it was filed; and that confusion is likely between the registered mark and petitioner's prior-used identical mark.

Aside from the fact that respondent's affirmative defense of unclean hands is inapplicable to the claim of fraud, this defense is not supported by any evidence, or even argument, so we hold that respondent's unclean hands claim necessarily fails.

Based on careful consideration of the record in this proceeding, as well as petitioner's arguments and the relevant legal precedents, we find that cancellation of respondent's registration is warranted because the registration was obtained by means of fraud; because respondent's predecessor did not own the mark at the time it applied to register it; and because, even if respondent's predecessor had made its own use of the mark prior to filing the application to register it, such use of the identical mark in connection with the same products would have been likely to cause confusion.

Petitioner cites the case of *Ohio State University v. Ohio University*, 51 USPQ2d 1289 (TTAB 1999), for the proposition that when a party claims that the declaration in

another's application to register constitutes fraud because there was another, earlier, use of the same mark at the time the declaration was executed, it must plead and prove: (1) that there was in fact another use, prior to applicant's use, of the same mark at the time the declaration was executed; (2) that the prior user had legal rights superior to the rights of the applicant; (3) that the applicant knew that the other user had superior rights in the mark, and either believed that confusion would result from applicant's use of the mark, or had no reasonable basis for believing otherwise; and (4) that the applicant, by failing to disclose these facts to the Patent and Trademark Office, intended to procure a registration to which applicant was not entitled.

Based on the unrebutted testimony and evidence made of record by petitioner, we conclude that Mr. Blum, who executed the application on behalf of respondent's predecessor, knew that petitioner's predecessor, rather than respondent's predecessor, owned the mark at the time he executed the declaration. Accordingly, his statement that Perceptive Solutions, Inc. owned the mark constituted fraud because he knew it was a false statement and it was calculated to obtain a registration to which he knew Perceptive Solutions, Inc. was not entitled.

Even if we were not able to attribute fraudulent intent to Mr. Blum's declaration, the unrebutted testimony clearly establishes use by petitioner's predecessor long before the predecessor of respondent applied the mark to any products which were provided to anyone, whether they were petitioner's predecessor's customers or the customers of the predecessor of respondent. However these transactions may be characterized, they clearly took place well after respondent filed the application to register the mark, so the record establishes no basis upon which respondent could claim that it owned the mark at the time it (or more accurately, its predecessor) filed the application. Accordingly, in that the respondent neither owned nor had used the mark that was the subject of a use-based application, the application was void ab initio under Section 1 of the Lanham Act. Only the owner of a mark may register it. Thus, the second ground for cancellation has been established.

Petitioner has also shown that it is entitled to judgment on the third pleaded ground for cancellation, priority of use and likelihood of confusion. A mark is unregistrable under Section 2(d) of the Lanham Act because confusion is likely with a prior mark if the marks are similar in appearance, pronunciation, connotation and commercial impression and both are used on related goods.

Cancellation No. 30,783

In re E. I. du Pont de Nemours & Co., 476 F.2d 1357, 177 USPQ 563, (CCPA 1973). In the instant case, the testimony and evidence of record clearly establish prior use by petitioner's predecessor of the same mark on the same products as those on which respondent's predecessor subsequently used the mark. A clearer case for cancellation under Section 2(d) of the Lanham Act is difficult to imagine.

DECISION: For the reasons set forth above, the Petition to Cancel is granted and Registration No. 1,893,023 will be cancelled in due course.